

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11
AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02
OPIC-03 LAB-04 SIL-01 OMB-01 DEAE-00 SNM-05 OES-09
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C O N F I D E N T I A L NASSAU 1656

E.O. 11652: GDS

TAGS: PGOV, MARR, ECON, SNAR, SPOP, EFIS, BF

SUBJ: MONTHLY REPORT - JULY 1978

REF: NASSAU A-30

BEGIN CONFIDENTIAL. 1. PARTICULARLY NOTEWORTHY DURING JULY WAS THE WORK OF THE U.S. AND BAHAMAS MILITARY FACILITIES NEGOTIATING TEAMS, WHO REACHED SUBSTANTIAL AGREEMENT ON A TEXT DURING THE THIRD NEGOTIATING SESSION HELD IN NASSAU JULY 20-21. THE TEXT WILL RECEIVE CABINET REVIEW IN AUGUST AND ADDITIONAL USG-GCOB TALKS WILL TAKE PLACE THIS FALL. MAJOR SUBSTANTIVE ISSUES YET TO BE RESOLVED ARE RENTAL COSTS AND QUESTIONS OF ECONOMIC ASSISTANCE. END CONFIDENTIAL - BEGIN LIMITED OFFICIAL USE

2. THE GCOB OBSERVED ITS LOW-KEY 5TH INDEPENDENCE DAY CELEBRATION ON JULY 10, HIGHLIGHTED BY A TELEVISION SPEECH BY PM LYNDEN O. PINDLING WARNING BAHAMIANS OF THE CONSEQUENCES OF "THE INVASION OF DRUG SMUGGLERS, ILLEGAL ALIENS, AND ILLEGAL FISHING." HE SAID THESE PROBLEMS, RESULTING FROM BAHAMIAN GEOGRAPHY, WILL BE MORE EFFECTIVELY DEALT WITH UPON THE ARRIVAL LATER IN JULY OF THE BAHAMAS DEFENSE FORCE'S TWO NEW PATROL
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BOATS - THE MARLIN AND THE FLAMINGO, BUILT IN THE UNITED KINGDOM.

3. LACK OF APPARENT MOVEMENT TOWARD SOLUTION OF THE ESTIMATED 25 PERCENT UNEMPLOYMENT PROBLEM CONTINUED AS A MAJOR BAHAMIAN ECONOMIC AND POLITICAL PREOCCUPATION. ALTHOUGH TOURIST ARRIVALS IN JULY AND FOR ALL OF 1978 SO FAR HAVE SIGNIFICANTLY

INCREASED OVER 1977, INCREASED TOURISTS ALONE WILL NOT LEAD TO MAJOR NEW EMPLOYMENT OPPORTUNITIES AS THE TOURISM SECTOR IS ALREADY OVER-STAFFED. OPPOSITION BAHAMIAN DEMOCRATIC PARTY (BDP) SENATORS CONTINUE TO CHARGE THAT THE GOVERNMENT "HAS NEITHER THE IMAGINATION OR CAPACITY TO DEAL WITH THE PROBLEM OF UNEMPLOYMENT."

4. THE GOVERNMENT CONTINUED ITS CAMPAIGN TO "RID THE COUNTRY OF ILLEGAL ALIENS," CHIEFLY HAITIANS. TWO BOATLOADS TOTALING ABOUT 300 WERE REPATRIATED TO HAITI, AND OTHERS FLED ATTEMPTING TO AVOID REPATRIATION. ALTHOUGH THE GCOB CRACKDOWN ON ILLEGAL ALIENS IS DESCRIBED AS A MOVE TO OPEN JOBS FOR UNEMPLOYED BAHAMIANS, OBSERVERS DOUBT THAT THE BAHAMIANS WILL TAKE THE LESS DESIRABLE AND LOW SKILLED JOBS USUALLY HELD BY ILLEGAL HAITIANS.

5. AN ANNOUNCEMENT OF JULY 6 BY THE WORKERS NATIONAL PEOPLE'S PARTY (WNPP) DECLARED A "RELENTLESS WAR AGAINST THE PLP OPPRESSORS WHO HAVE FAILED TO CREATE MASSIVE EMPLOYMENT AND BETTER HOUSING CONDITIONS." ONLY TIME WILL TELL WHETHER THE MINISCULE WNPP, FORMED IN JUNE, HAS THE CAPACITY AND CAN ATTRACT THE FOLLOWING TO MAKE AN IMPACT ON THE BAHAMIAN POLITICAL SCENE.

6. ON JULY 28 THE GOVERNMENT-BACKED BAHAMAS DEVELOPMENT BANK (BDB) OPENED ITS DOORS TO THE PUBLIC. BOTH PM PINDLING AND DPM AND MINISTER OF FINANCE A. D. HANNA LENT THEIR WEIGHT TO CONFIDENTIAL

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MAKING THE BDB A PUBLICITY SUCCESS BY PARTICIPATING IN THE OPENING CEREMONIES. SOME MEMBERS OF THE BANKING AND POLITICAL COMMUNITIES PRIVATELY EXPRESS DOUBTS THAT THE BDB WILL FUNCTION AS A DEVELOPMENT BANK, BUT WILL INSTEAD BE POLITICALLY MOTIVATED AS A PLP SELF-HELP INSTITUTION. SHOULD THE BDB FAIL IN ITS STATED OBJECTIVES TO PROMOTE ECONOMIC DEVELOPMENT IN AREAS OF AGRICULTURE, FISHERIES, TOURIST FACILITIES, AND LIGHT INDUSTRIES, IT COULD WELL PROVE TO BE A MAJOR LIABILITY FOR THE GOVERNING PLP IN THE NEXT FOUR YEARS LEADING TO GENERAL ELECTIONS. SCHWARTZ

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